

## Tax Rates

The following information is a very useful reference source for small businesses:

### Resident Individual Rates for 2010/11 and 2011/12

2010/11 Thresholds	Tax on this income
0 - \$6,000	Nil
\$6,001 - \$37,000	15c for each \$1 over \$6,000
\$37,001 - \$80,000	\$4,650 plus 30c for each \$1 over \$37,000
\$80,001 - \$180,000	\$17,550 plus 37c for each \$1 over \$80,000
Over \$180,000	\$54,550 plus 45c for each \$1 over \$180,000

### Resident Individual Rates for 2008/09 and 2009/2010

2008/09 Thresholds	Tax on this income	2009/10 Thresholds	Tax on this income
0 - \$6,000	Nil	0 - \$6,000	Nil
\$6,001 - \$34,000	15c for each \$1 over \$6,000	\$6,001 - \$35,000	15c for each \$1 over \$6,000
\$34,001 - \$80,000	\$4,200 plus 30c for each \$1 over \$34,000	\$35,001 - \$80,000	\$4,350 plus 30c for each \$1 over \$35,000
\$80,001 - \$180,000	\$18,000 plus 40c for each \$1 over \$80,000	\$80,001 - \$180,000	\$17,850 plus 38c for each \$1 over \$80,000
Over \$180,000	\$58,000 plus 45c for each \$1 over \$180,000	Over \$180,000	\$55,850 plus 45c for each \$1 over \$180,000

### Resident Individual Rates for 2006/07 and 2007/08

2006/07 Thresholds	Tax on this income	2007/08 Thresholds	Tax on this income
0 - \$6,000	Nil	0 - \$6,000	Nil
\$6,001 - \$25,000	15c for each \$1 over \$6,000	\$6,001 - \$30,000	15c for each \$1 over \$6,000
\$25,001 - \$75,000	\$2,850 plus 30c for each \$1 over \$25,000	\$30,001 - \$75,000	\$3,600 plus 30c for each \$1 over \$30,000
\$75,001 - \$150,000	\$17,850 plus 40c for each \$1 over \$75,000	\$75,001 - \$150,000	\$17,100 plus 40c for each \$1 over \$75,000
Over \$150,000	\$47,850 plus 45c for each \$1 over \$150,000	Over \$150,000	\$47,100 plus 45c for each \$1 over \$150,000

#### Notes on tax rates

Taxable income includes capital gains

Medicare levy currently 1.5% of taxable income is not included

Resident individuals are entitled to a refund of imputation credits that exceed the primary tax payable

Resident individuals are entitled to the 50% discount on the disposal of assets that are held for at least 12 months

### **Reasonable Travel Allowance Claims Within Australia**

Where an employee, company director, or office holder receives an allowance for travel costs within Australia and the person makes a claim for the costs of accommodation, food, drink and incidental expenses up to certain limits, then the person is not required to keep written evidence (i.e. receipts) of the expenses. These deduction limits are based on the salary of the person and the destination of the trip.

The travel must be for business purposes and the person must be sleeping away from home. Note this concession does not apply to self employed persons, including partners in a partnership.

[Click here](#) and then scroll down to access the reasonable travel allowance claims within Australia for 2009/10.

[Click here](#) and then scroll down to access the reasonable travel allowance claims within Australia for 2010/11.

### **Reasonable Overseas Travel Allowance Claims**

Where an employee, company director, or office holder receives an allowance for travel costs outside of Australia and the person makes a claim for the costs of food, drink and incidental expenses up to certain limits, then the person is not required to keep written evidence (i.e. receipts) of the expenses. These deduction limits are based on the salary of the person and the destination of the trip. Note the person is still required to keep receipts for accommodation expenses.

The travel must be for business purposes. Note this concession does not apply to self employed persons, including partners in a partnership.

[Click here](#) and then scroll down to access the reasonable overseas travel allowance claims for 2009/10.

[Click here](#) and then scroll down to access the reasonable overseas travel allowance claims for 2010/11.

### **Goods Taken from Stock for Private Use by Business Owners**

The ATO each year issues a Determination which outlines the amounts that are acceptable as estimates of the value of goods taken from trading stock for private use by business owners (including their associates) in certain industries who operate as sole traders or in partnership. The relevant amounts need to be included in the assessable income of the individual for the year.

Note that an adjustment for the GST credits claimed in relation to these amounts also needs to be made.

Fringe benefits tax and a different set of valuation rules apply where the business owner is employed through a company or family trust.

[Click here](#) and then scroll down to access the acceptable amounts for 2010/11.

[Click here](#) and then scroll down to access the acceptable amounts for 2009/10.

### **Status of Individuals - Employee or Independent Contractor**

The ATO has published a very useful Guide to assist businesses in the Building & Construction to determine if the "individual" they are paying is an employee or independent contractor for income tax purposes. This information can also be applied to workers in other industries.

[Click here to access the ATO Guide.](#)

## Companies

The rates of tax for all companies and some associations are as follows:

Year	Rate %
2000	36
2001	34
From 1 July 2001	30

Companies are required to maintain a franking account on a tax paid basis and are not entitled to a refund of imputation credits that exceed the tax payable. Companies are not entitled to the 50% discount on the disposal of assets that are held for at least 12 months.

## PAYG Withholding Calculator

This calculator is provided by the Australian Taxation Office and determines the PAYG Withholding for an employee who is paid either weekly, fortnightly or monthly.

[Click here to access the calculator.](#)

## Fringe Benefits Tax (FBT) Car Calculator

This FBT car calculator is provided by the Australian Taxation Office and determines the taxable value of a car fringe benefit using either the statutory formula method or the operating cost method.

The base value of a car under the statutory formula method is the GST inclusive cost, including dealer and delivery charges and non-business accessories (e.g. air conditioning and stereo). Registration and stamp duty on transfer are excluded. Note the base value of the car can be reduced by one third after the car has been held for four full FBT years. For example if a car was purchased on 15 April 1998 (i.e. in the 1999 FBT year), the base value would be reduced by one third at the commencement of the 2004 FBT year (i.e. from 1 April 2003) and future FBT years.

When using the operating cost method all costs are inclusive of GST. Deemed operating costs refer to deemed depreciation and interest and are both calculated in much the same way as depreciation using the relevant car depreciation rate and statutory interest rate. Deemed operating costs only apply if the car is owned (including on hire purchase) and not leased. The cost of the car upon which these deemed costs are calculated is inclusive of GST.

[Click here to access the calculator.](#)

### Motor Vehicle Depreciation Cost-Limit

Since 1980, the depreciation deduction for cars has been limited by a deemed maximum cost price depending on the year in which the car was acquired.

Income Year	Depreciation Cost Limit \$
2004	57,009
2005	57,009
2006	57,009
2007	57,009
2008	57,123
2009	57,180
2010	57,180
2011	57,466
2012	57,466

### Per Kilometre Motor Vehicle Rates

These rates are used by individuals when making a claim for motor vehicle expenses up to a maximum of 5,000 business kilometres. They are also used by employers when reimbursing employees for business use of their vehicles.

The rates are based on the engine size of the car and are as follows:

Engine Capacity (non-rotary engine)	Engine capacity (rotary engine)	Rate per Kilometre (cents)					
		2005/06 year	2006/07 year	2007/08 year	2008/09 year	2009/10 year	2010/11 year
Up to 1,600cc	Up to 800cc	55.0	58.0	58.0	63.0	63.0	63.0
1,601 to 2,600cc	801 to 1,300cc	66.0	69.0	69.0	74.0	74.0	74.0
Over 2,600cc	Over 1,300cc	67.0	70.0	70.0	75.0	75.0	75.0

### Complying Superannuation Funds

Income received, including capital gains and employer contributions and the deductible portion of self employed contributions are taxed at the rate of 15%. Funds are entitled to a refund of imputation credits that exceed the tax payable.

Income tax is not payable on income and capital gains where pensions are paid to the members.

A Fund is entitled to a one-third discount on the disposal of assets that are held for at least 12 months.

### Deductible Superannuation Contribution Limits

For the 2011/12 year, the maximum concessional superannuation contributions that can be claimed by an employer or a substantially self employed person is as follows:

Below 50 years of age at 30 June:	\$25,000 (indexed) *
Age 50 and over at 30 June:	\$50,000 (unindexed) **

\* Both employers and substantially self employed persons are entitled to claim a full tax deduction for the entire contributions made.

\*\* This is a transitional measure that applies up to the 2011/12 year, upon which the limit will reduce to the standard \$25,000 indexed amount. The Government has announced that from 1 July 2012, individuals aged 50 or over with superannuation balances below \$500,000 will continue to be able to make concessional superannuation contributions of up to \$50,000.

Note that contributions above these limits can still be claimed as a full deduction, but will be taxed to the member at an overall effective rate of 46.5%. Super guarantee contributions are included in these limits.

### Undeducted Superannuation Contribution Limits

For the 2011/12 year, the maximum after-tax contributions that can be made by an individual to a superannuation fund is limited to \$150,000 per annum. This amount is fixed at six times the deductible contributions limit of \$25,000 and will therefore increase as the \$25,000 limit rises with indexation.

Where an individual is under the age of 65 at any time during the income year, there is a 3 year averaging rule whereby the person will be able to utilise the \$150,000 cap for the current year and for the next two income years. This means that the person can in effect contribute a maximum of \$450,000 as an undeducted contribution during the income year and the subsequent two income years. The \$450,000 limit is automatically triggered in an income year where the taxpayer makes an after-tax contribution in excess of \$150,000.

### GST Thresholds

Item	* Threshold
Requirement to issue a tax invoice	\$75
No requirement to withhold if supplier does not quote ABN	\$75
Turnover for compulsory registration for GST	\$75,000 (for any 12 months)
Turnover for compulsory registration for GST (non-profit entity)	\$150,000 (for any 12 months)
Annual turnover for compulsory use of non-cash accounting	\$2,000,000
Annual turnover for compulsory monthly electronic BAS lodgement	\$20,000,000

\* all amounts are GST exclusive